

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02034A
Cienega Water Company, Inc.
P. O. Box 3518
Parker AZ 853440000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

Company Name (Business Name) <u>Cienega Water Co., Inc.</u>		
Mailing Address <u>PO Box 3518</u>		
<u>Parker</u> (City)	<u>AZ</u> (State)	<u>85344</u> (Zip)
<u>928-667-2590</u> Telephone No. (Include Area Code)	<u>928-667-2590</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>elli@jack@rraz.net</u>		
Local Office Mailing Address <u>same</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address <u></u>		

MANAGEMENT INFORMATION

Management Contact: <u>Eleanor Stephan</u>			<u>President</u>
 (Name)			 (Title)
<u>31876 Cienega Springs Rd</u> (Street)	<u>Parker, AZ</u> (City)	<u>85344</u> (State)	<u></u> (Zip)
<u>928-667-2590</u> Telephone No. (Include Area Code)	<u>928-667-2590</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)	
Email Address <u>elli@jack@rraz.net</u>			
On Site Manager: <u>same</u>			
 (Name)			
 (Street)	 (City)	 (State)	 (Zip)
 Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address <u></u>			

Statutory Agent: Jack Haas
 (Name)
7804 Riverside Dr Parker AZ 85344
 (Street) (City) (State) (Zip)
928-667-2590
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)
 Attorney: NONE
 (Name)
 (Street) (City) (State) (Zip)
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input checked="" type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Cienega Water Co., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	10,565	10,565	
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	3,589	3,589	
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	17,880	5,751	12,129
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	2,408	2,189	219
340	Office Furniture and Equipment	3,416	3,248	168
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	New Construction	137,353	79,43	129,410
	TOTALS	175,211	33,285	

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Cienega Water Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			

This amount goes on Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME Cienega Water Co., Inc.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$	\$

Please See attached

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Cienega Water Co., Inc.**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$	\$

Please see attached

Cienega Water Co., Inc.
Balance Sheet Prev Year Comparison
As of December 31, 2003

	<u>Dec 31, 03</u>	<u>Dec 31, 02</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
105 · Cash in Bank - Bank One	-1,676.86	5,925.21	-7,602.07	-128.3%
115 · BofA high bal [work loan]	9,618.60	41,410.60	-31,792.00	-76.8%
Total Checking/Savings	<u>7,941.74</u>	<u>47,335.81</u>	<u>-39,394.07</u>	<u>-83.2%</u>
Total Current Assets	<u>7,941.74</u>	<u>47,335.81</u>	<u>-39,394.07</u>	<u>-83.2%</u>
Fixed Assets				
192 · Equipment & Tools	2,408.29	2,408.29	0.00	0.0%
193 · Office Equipment	3,416.41	3,318.28	98.13	3.0%
Total Fixed Assets	<u>5,824.70</u>	<u>5,726.57</u>	<u>98.13</u>	<u>1.7%</u>
Other Assets				
185 · Utility Plant in Serv	14,154.00	14,154.00	0.00	0.0%
190 · New Construction	17,879.78	17,879.78	0.00	0.0%
191 · Replacement Construction 02-...	137,353.00	105,142.40	32,210.60	30.6%
195 · Accum. Deprec & Amort	-33,285.04	-24,215.56	-9,069.48	-37.5%
Total Other Assets	<u>136,101.74</u>	<u>112,960.62</u>	<u>23,141.12</u>	<u>20.5%</u>
TOTAL ASSETS	<u><u>149,868.18</u></u>	<u><u>166,023.00</u></u>	<u><u>-16,154.82</u></u>	<u><u>-9.7%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
205 · Accts Payables	3,600.00	3,600.00	0.00	0.0%
Total Accounts Payable	<u>3,600.00</u>	<u>3,600.00</u>	<u>0.00</u>	<u>0.0%</u>
Other Current Liabilities				
200 · Notes Payable	1,000.00	1,000.00	0.00	0.0%
Total Other Current Liabilities	<u>1,000.00</u>	<u>1,000.00</u>	<u>0.00</u>	<u>0.0%</u>
Total Current Liabilities	<u>4,600.00</u>	<u>4,600.00</u>	<u>0.00</u>	<u>0.0%</u>
Long Term Liabilities				
240 · LongTerm Notes/Bonds	43,648.00	43,648.00	0.00	0.0%
245 · LongTerm CSDC-Loans	12,000.00	12,000.00	0.00	0.0%
250 · Work Loan from Merco	142,682.95	146,553.00	-3,870.05	-2.6%
Total Long Term Liabilities	<u>198,330.95</u>	<u>202,201.00</u>	<u>-3,870.05</u>	<u>-1.9%</u>
Total Liabilities	<u>202,930.95</u>	<u>206,801.00</u>	<u>-3,870.05</u>	<u>-1.9%</u>
Equity				
325 · Capital Stock	5,700.00	5,700.00	0.00	0.0%
350 · Retained Earnings	-46,478.00	-49,131.47	2,653.47	5.4%
Net Income	-12,284.77	2,653.47	-14,938.24	-563.0%
Total Equity	<u>-53,062.77</u>	<u>-40,778.00</u>	<u>-12,284.77</u>	<u>-30.1%</u>
TOTAL LIABILITIES & EQUITY	<u><u>149,868.18</u></u>	<u><u>166,023.00</u></u>	<u><u>-16,154.82</u></u>	<u><u>-9.7%</u></u>

COMPANY NAME Cienega Water Co. Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$	\$
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$	\$
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$	\$

Please see attached

COMPANY NAME

Cienega Water Co. Inc.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	7/2/02	10/28/02		
Source of Loan	Private	Private		
ACC Decision No.				
Reason for Loan	NEW# replacement	Construction		
Dollar Amount Issued	\$ 121553 ⁰⁰	\$ 25,000 -	\$	\$
Amount Outstanding	\$ 121553 ⁰⁰	\$ 25,000 -	\$	\$
Date of Maturity	7/2/17	7/2/17		
Interest Rate	7%	7%		
Current Year Interest	\$ 0	\$ 0	\$	\$
Current Year Principle	\$ 0	\$ 0	\$	\$

Meter Deposit Balance at Test Year End

\$

Meter Deposits Refunded During the Test Year

\$

no interest
 or prin payments
 Be pd till work
 is completed - but interest
 calculated from 7/2/02
 1st payment made 4/2/03 pd
 all due 7-02 thru 2-03

COMPANY NAME Cienega Water Co., Inc.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
617676	1	6.7	96	10	2	1959*
620744	1	6.7	98	8	2	1945*
617677	1	6.7	95	10	2	1960*

- * Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
n/a		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
n/a			

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
5,000 -	4	n/a	

COMPANY NAME Cienega Water Co., Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	<u>trassite</u>	<u>1370</u>
3	<u>↳</u>	<u>3190</u>
4	<u>↳</u>	<u>1120</u>
5		
<u>(6)</u>	<u>C900 PVC</u>	<u>4500</u>
8		
10		
12		

new construction

CUSTOMER METERS

Size (in inches)	Quantity
<u>5/8 X 3/4</u>	<u>604</u> <u>(m up)</u>
<u>3/4</u>	
<u>1</u>	
<u>1 1/2</u>	
<u>2</u>	<u>1</u>
<u>Comp. 3</u>	
<u>Turbo 3</u>	
<u>Comp. 4</u>	
<u>Turbo 4</u>	
<u>Comp. 6</u>	
<u>Turbo 6</u>	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NONE

STRUCTURES:

Storage Tanks

OTHER:

meters -- wells & springs -- office furn & fixture

COMPANY NAME:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	57		
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST	58		
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTAL		N/A	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____ mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Total water pumped each month

	pumped	sold	flushing &	estimates water breaks
JAN	417,900	307,684	5,000	58,745
FEB	299,500	200,840	5,784	78,458
MAR	219,750	198,304	5,455	
APR	290,290	437,980	5,820	
MAY	289,960	301,334	5,590	
JUNE	310,110	315,443	5,560	
JULY	417,520	368,795	5,530	
AUG	338,950	293,086	5,430	
SEPT	283,260	267,836	5,450	10,000
OCT	327,280	248,391	5,820	70,000
NOV	279,690	222,329	5,350	
DEC	203,410	198,754	5,785	
tot water	3,677,620	3,360,776	66,574	217,203

COMPANY NAME _____ YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 1025⁹⁹

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME _____ YEAR ENDING 12/31/2003

INCOME TAXES

RECEIVED

APR 16 2004

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability

< 12,259⁰⁰ >

W CORPORATION COMMISSION
DIRECTOR OF UTILITIES

State Taxable Income Reported
Estimated or Actual State Tax Liability

< 10,026⁰⁰ >

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Eleanor Stephan
SIGNATURE

4-15-04
DATE

Eleanor Stephan
PRINTED NAME

President
TITLE